

AGCO CORP /DE
Form DEF 14A
March 27, 2017
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission

Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

AGCO CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act
Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Aggregate number of securities to which transaction applies:
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- (5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by
Exchange Act Rule 0-11(a)(2) and identify the filing for which

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by registration statement number, or the Form or Schedule and
the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Time and Date: 9:00 a.m., Eastern Time, on Thursday, April 27, 2017

Place: AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096

1. To elect nine directors to the Board of Directors for terms expiring at the Annual Meeting in 2018;
2. To consider a non-binding advisory vote relating to the frequency (every one, two or three years) of the non-binding stockholder vote relating to the compensation of the Company's named executive officers;

Items of Business:

3. To consider a non-binding advisory resolution to approve the compensation of the Company's named executive officers;
4. To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2017; and
5. To transact any other business that may properly be brought before the meeting.

Record Date: Only stockholders of record as of the close of business on March 17, 2017 are entitled to notice of and to vote at the Annual Meeting or any postponement or adjournment thereof. Attendance at the Annual Meeting is limited to stockholders of record at the close of business on March 17, 2017, and to any invitees of the Company.

Inspection of List of Stockholders of Record: A list of stockholders as of the close of business on March 17, 2017 will be available for examination by any stockholder at the Annual Meeting itself as well as for a period of ten days prior to the Annual Meeting at our offices at the above address during normal business hours. We urge you to mark and execute your proxy card and return it promptly in the enclosed envelope. In the event you are able to attend the meeting, you may revoke your proxy and vote your shares in person.

By Order of the Board of Directors

ROGER N. BATKIN
Corporate Secretary

Atlanta, Georgia
March 27, 2017

Table of Contents

SUMMARY

This summary highlights information contained elsewhere in this proxy statement. Since this summary does not contain all of that information, you are encouraged to read the entire proxy statement before voting.

Annual Meeting of Stockholders

- Time and Date: 9:00 a.m., Eastern Time, on Thursday, April 27, 2017
- Place: AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096
- Record Date: March 17, 2017
- Voting: Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.

Voting Recommendations

Proposal	Board Vote Recommendation
Election of Directors	FOR EACH NOMINEE
Frequency of advisory vote on executive compensation	FOR ONE YEAR
Advisory vote on executive compensation	FOR
Ratification of the selection of KPMG LLP	FOR

Director Nominees

The following table provides summary information about each nominee. Directors are elected annually. AGCO has majority voting in uncontested elections of directors, such as this election. In the event that a nominee does not receive the affirmative vote of a majority of the votes cast in person or by proxy, he or she is required to tender his or her resignation.

Name	Age	Director Since	Brief Biography	Independent	Committee Membership									
					E	C	A	C	F	C	G	S	P	
Roy V. Armes	64	2013	Former Chairman, President and CEO, Cooper Tire and Rubber Company	X					X					X
Michael C. Arnold	60	2013	Former President and CEO, Ryerson Inc.	X				X						X
P. George Benson	70	2004	Professor of Decision Sciences and Former President, College of Charleston	X				X	X					C
Wolfgang Deml	71	1999	Former President and CEO, BayWa Corporation (Germany)	X				X					X	C
George E. Minnich	67	2008	Former Senior VP and CFO, ITT Corporation	X				X	C	X	X			
Martin H. Richenhagen	64	2004	Chairman, President and CEO, AGCO						C					X
Gerald L. Shaheen	72	2005	Lead Director of AGCO, Former Group President, Caterpillar Inc.	X				X		C	X			X
Mallika Srinivasan	57	2011	Chairman and CEO, Tractors and Farm Equipment Limited (India)											X
Hendrikus Visser	72	2000	Former Chairman, Royal Huisman Shipyards N.V. (Netherlands)	X				X	X		C	X		
EC Executive Committee			FC Finance Committee											
AC Audit Committee			GC Governance Committee											
CC Compensation Committee			SP Succession Planning Committee											
			C Chair											

Table of Contents

Frequency of the Stockholder Vote on Executive Compensation

We are requesting stockholders to vote to advise as of whether the stockholders believe the non-binding vote relating to the compensation of the Company's named executive officers should occur every one, two or three years.

Executive Compensation Advisory Vote

We are asking stockholders to approve on an advisory basis our named executive officer compensation.

The Company's compensation philosophy and program design is intended to pay for performance, support the Company's business strategy and align executives' interests with those of stockholders and employees. A significant portion of the Company's executive compensation opportunity is related to factors that directly and indirectly influence stockholder value, including stock performance, earnings per share, operating expense reduction, operating margin, free cash flow and return on invested capital. The Company believes that as an executive's responsibilities increase, so should the portion of his or her total pay comprised of annual incentive cash bonuses and long-term incentive compensation, which supports and reinforces the Company's pay for performance philosophy.

For more information on the Company's executive compensation programs, please see "Proposal Number 3 — Non-Binding Advisory Resolution to Approve the Compensation of the Company's NEOs" and "Compensation Discussion and Analysis" in this proxy statement.

Independent Registered Public Accounting Firm

As a matter of good corporate governance, we are asking our stockholders to ratify the selection of KPMG LLP as our independent registered public accounting firm for 2017. The Company's Audit Committee considers a number of factors when selecting a firm, including the qualifications, staffing considerations, and the independence and quality controls of the firms considered. The Audit Committee has appointed KPMG LLP as the Company's independent registered public accounting firm for 2017. KPMG LLP served as the Company's independent registered public accounting firm for 2016 and is considered to be well-qualified.

Set forth below is summary information with respect to KPMG LLP's fees for services provided in 2016 and 2015.

Type of Fees	2016	2015
	(in thousands)	
Audit Fees	\$6,460	\$6,328
Audit-Related Fees	28	55
Tax Fees	22	8
Other Fees	288	633
Total	\$6,798	\$7,024

Table of Contents

TABLE OF CONTENTS

	PAGE
<u>INFORMATION REGARDING THE ANNUAL MEETING</u>	<u>1</u>
<u>PROPOSAL NUMBER 1 ELECTION OF DIRECTORS</u>	<u>3</u>
<u>BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	<u>5</u>
<u>PROPOSAL NUMBER 2 PROPOSAL REGARDING THE FREQUENCY (ONE, TWO OR THREE YEARS) OF THE NON-BINDING STOCKHOLDER VOTE RELATING TO THE COMPENSATION OF THE COMPANY'S NEOS</u>	<u>12</u>
<u>PROPOSAL NUMBER 3 NON-BINDING ADVISORY RESOLUTION TO APPROVE THE COMPENSATION OF THE COMPANY'S NEOS</u>	<u>13</u>
<u>PROPOSAL NUMBER 4 RATIFICATION OF COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2017</u>	<u>15</u>
<u>OTHER BUSINESS</u>	<u>15</u>
<u>PRINCIPAL HOLDERS OF COMMON STOCK</u>	<u>16</u>
<u>EXECUTIVE COMPENSATION</u>	<u>18</u>
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	<u>20</u>
<u>SUMMARY OF 2016 COMPENSATION</u>	<u>34</u>
<u>2016 SUMMARY COMPENSATION TABLE</u>	<u>35</u>
<u>2016 GRANTS OF PLAN-BASED AWARDS</u>	<u>38</u>
<u>OUTSTANDING EQUITY AWARDS AT YEAR-END 2016</u>	<u>39</u>
<u>SSAR EXERCISES AND STOCK VESTED IN 2016</u>	<u>40</u>
<u>PENSION BENEFITS</u>	<u>41</u>
<u>2016 PENSION BENEFITS TABLE</u>	<u>43</u>
<u>OTHER POTENTIAL POST-EMPLOYMENT PAYMENTS</u>	<u>44</u>
<u>COMPENSATION COMMITTEE REPORT</u>	<u>47</u>
<u>AUDIT COMMITTEE REPORT</u>	<u>47</u>
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	<u>48</u>
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>49</u>
<u>ANNUAL REPORT TO STOCKHOLDERS</u>	<u>49</u>
<u>ANNUAL REPORT ON FORM 10-K</u>	<u>49</u>
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>49</u>
<u>STOCKHOLDERS' PROPOSALS</u>	<u>50</u>

Table of Contents

AGCO CORPORATION
PROXY STATEMENT FOR THE
ANNUAL MEETING OF STOCKHOLDERS

April 27, 2017

INFORMATION REGARDING THE ANNUAL MEETING
INFORMATION REGARDING PROXIES

This proxy solicitation is made by the Board of Directors (the “Board”) of AGCO Corporation (the “Company”), which has its principal executive offices at 4205 River Green Parkway, Duluth, Georgia 30096. By signing and returning the enclosed proxy card, you authorize the persons named as proxies on the proxy card to represent you at the meeting and vote your shares.

If you attend the meeting, you may vote by ballot. If you are not present at the meeting, your shares can be voted only when represented by a proxy either pursuant to the enclosed proxy card or otherwise. You may indicate a vote on the enclosed proxy card in connection with any of the listed proposals, and your shares will be voted accordingly. If you indicate a preference to abstain from voting, no vote will be cast. You may revoke your proxy card before balloting begins by notifying the Corporate Secretary in writing at 4205 River Green Parkway, Duluth, Georgia 30096. In addition, you may revoke your proxy card before it is voted by signing and duly delivering a proxy card bearing a later date or by attending the meeting and voting in person. If you return a signed proxy card that does not indicate your voting preferences, the persons named as proxies on the proxy card will vote your shares (i) in favor of all of the nine director nominees described below; (ii) in favor of a one-year frequency for the non-binding stockholder vote relating to the compensation of the Company’s Named Executive Officers (“NEOs”); (iii) in favor of the non-binding advisory resolution to approve the compensation of the Company’s NEOs; (iv) in favor of ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for 2017; and (v) in their best judgment with respect to any other business brought before the Annual Meeting.

The enclosed proxy card is solicited by the Board, and the cost of solicitation of proxy cards will be borne by the Company. The Company may retain an outside firm to aid in the solicitation of proxy cards, the cost of which the Company expects would not exceed \$25,000. Proxy solicitation also may be made personally or by telephone by officers or employees of the Company, without added compensation. The Company will reimburse brokers, custodians and nominees for their customary expenses in forwarding proxy material to beneficial owners.

This proxy statement and the enclosed proxy card are first being sent to stockholders on or about March 27, 2017. The Company’s 2016 Annual Report to its stockholders and its 2016 Annual Report on Form 10-K are also enclosed and should be read in conjunction with the matters set forth herein.

INFORMATION REGARDING VOTING

Only stockholders of record as of the close of business on March 17, 2017, are entitled to notice of and to vote at the Annual Meeting. On March 17, 2017, the Company had outstanding 79,472,793 shares of common stock, each of which is entitled to one vote on each matter coming before the meeting. No cumulative voting rights exist, and dissenters’ rights for stockholders are not applicable to the matters being proposed. For directions to the offices of the Company where the Annual Meeting will be held, you may contact our corporate office at (770) 813-9200.

Quorum Requirement

A quorum of the Company’s stockholders is necessary to hold a valid meeting. The Company’s By-Laws provide that a quorum is present if a majority of the outstanding shares of common stock of the Company entitled to vote at the meeting are present in person or represented by proxy. Votes cast by proxy or in person at the Annual Meeting will be tabulated by the inspector of elections appointed for the meeting, who will also determine whether a quorum is present for the transaction of business. Abstentions and “broker non-votes” will be treated as shares that are present and entitled to vote for purposes of determining whether a quorum is present. A broker non-vote occurs on an item when a broker or other nominee is not permitted to vote on that item without instruction from the beneficial owner of the shares and no instruction is given.

Table of Contents

Vote Necessary for the Election of Directors

Directors are elected by a majority of the votes cast in person or by proxy at the Annual Meeting. See “Proposal Number 1 — Election of Directors” in this proxy statement for a more detailed description of the majority voting procedures in our By-Laws.

Under the New York Stock Exchange (“NYSE”) rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the election of directors if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the election outcome.

Vote Necessary Relating to the Non-Binding Advisory Vote Relating to the Frequency (Every One, Two or Three Years) of the Non-Binding Stockholder Resolution Relating to the Compensation of the Company’s NEOs

The non-binding advisory vote relating to the frequency of the non-binding stockholder vote to approve the compensation of the Company’s NEOs will require stockholders to choose between a frequency of every one, two or three years or abstain from voting. Because the stockholders vote on this proposal is advisory only, it will not be binding on the Company or the Board of Directors. However, the Board of Directors will review the voting results and take them into consideration when making future decisions regarding the frequency of the advisory vote on executive compensation as it deems appropriate.

Under the NYSE rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the frequency of the advisory vote on the compensation of the Company’s NEOs if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

Vote Necessary to Adopt the Non-Binding Advisory Resolution to Approve the Compensation of the Company’s NEOs

Adoption of the non-binding advisory resolution to approve the compensation of the Company’s NEOs requires the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. Because the stockholder vote on this proposal is advisory only, it will not be binding on the Company or the Board. However, the Compensation Committee will review the voting results and take them into consideration when making future decisions regarding executive compensation as the Compensation Committee deems appropriate.

Under the NYSE rules, if your broker holds your shares in its name, your broker is not permitted to vote your shares with respect to the non-binding advisory resolution to approve the compensation of the Company’s NEOs if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

Vote Necessary to Ratify the Appointment of Independent Registered Public Accounting Firm

Ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for 2017 requires the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting.

Under the NYSE rules, if your broker holds your shares in its name, your broker is permitted to vote your shares with respect to the ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for 2017 even if your broker does not receive voting instructions from you. Abstentions and broker non-votes will not affect the vote on this proposal.

Other Matters

With respect to any other matter that may properly come before the Annual Meeting for stockholder consideration, a matter generally will be approved by the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting unless the question is one upon which a different vote is required by express provision of the laws of Delaware, federal law, the Company’s Certificate of Incorporation or the Company’s By-Laws or, to the extent permitted by the laws of Delaware, the Board has expressly provided that some other vote shall be required, in which case such express provisions shall govern.

Important Notice Regarding the Availability of Proxy Materials

As required by rules adopted by the United States Securities and Exchange Commission (“SEC”), the Company is making this proxy statement and its annual report available to stockholders electronically via the Internet. The proxy statement and annual report to stockholders are available at www.agcocorp.com. The proxy statement is available under the heading “SEC Filings” in our website’s “Investors” section located under “Company,” and the annual report to stockholders is available under the heading “Annual Reports” in our “Investors” section.

Table of Contents

PROPOSAL NUMBER 1

ELECTION OF DIRECTORS

The Company's By-Laws provide for a majority voting standard for the election of directors in uncontested elections. If an incumbent director does not receive the requisite majority vote, he or she would continue as a "carry over" director, but is required to tender his or her resignation. In that event, the Governance Committee will determine whether to accept the director's resignation and will submit its recommendation to the Board. In deciding whether to accept a director's resignation, the Board and our Governance Committee may consider any factors that they deem relevant. Our By-Laws also provide that the director whose resignation is under consideration will abstain from the deliberation process with respect to his or her resignation.

In the event that a stockholder proposes a nominee to stand for election with nominees selected by the Board, and the stockholder does not withdraw the nomination prior to the tenth day preceding our mailing the notice of the stockholders meeting (i.e., a "contested election"), then our By-Laws provide that directors will be elected by a plurality vote.

For this year's Annual Meeting, the Governance Committee has recommended, and the Board has nominated, the nine individuals named below to serve as directors until the Annual Meeting in 2018 or until their successors have been duly elected and qualified. Luiz F. Furlan, who has been a member of the Board since 2010, will not be standing for re-election upon the expiration of his term at the Annual Meeting. The following is a brief description of the business experience, qualifications and skills of each of the nine nominees for directorship:

Roy V. Armes, age 64, has been a director of the Company since October 2013.

Former, Executive Chairman, President and CEO of Cooper Tire and Rubber Company since 2007 to 2016

Various executive positions with Whirlpool Corporation from 1975 to 2006 including Senior Vice President, Project Management Office; Corporate Vice President and General Director, Whirlpool Mexico; Corporate Vice President, Global Procurement Operations; President/Managing Director, Whirlpool Greater China, Inc. Hong Kong; Vice President, Manufacturing Technology, Whirlpool Asia (Singapore); and Vice President, Manufacturing & Technology, Refrigeration Products, Whirlpool Europe (Comerio, Italy).

Former member of the Board of Directors of The Manitowoc Company, Inc.

Director Qualifications and Skills: Mr. Armes brings extensive leadership experience with manufacturing companies and will provide an important perspective and contribution to the Board. The addition of his global manufacturing experience to the collective knowledge of our Board better positions AGCO for the opportunities facing our industry.

Michael C. Arnold, age 60, has been a director of the Company since October 2013.

Former President and Chief Executive Officer of Ryerson Inc.

Former member of the Board of Directors of Gardner Denver, Inc.

Various senior management positions with The Timken Company from 1979 to 2010 including Executive Vice President; President, Bearings and Power Transmission Group; President, Industrial Group; Vice President, Bearings and Business Process Advancement; Director, Bearings and Business Process Advancement; Director, Manufacturing and Technology, Europe, Africa and West Asia (Europe).

Director Qualifications and Skills: Mr. Arnold brings extensive leadership experience with manufacturing companies and will provide an important perspective and contribution to the Board. The addition of his global manufacturing experience to the collective knowledge of our Board better positions AGCO for the opportunities facing our industry.

P. George Benson, Ph.D, age 70, has been a director of the Company since December 2004.

Professor of Decision Sciences at the College of Charleston in Charleston, South Carolina from 2014 to present

Former President of College of Charleston in Charleston, South Carolina from 2007 to 2014

- Member of the Board of Directors and Chairman of the Nominating and Corporate Governance Committee of Crawford & Company (Atlanta, Georgia)

- Lead Director, Chairman of the Corporate Governance Committee and member of the Audit Committee for Primerica, Inc.

- Former Member of the Board of Directors and Audit Committee Chair for Nutrition 21, Inc., from 1998 to 2010 and from 2002 to 2010, respectively

Table of Contents

Judge for the Malcolm Baldrige National Quality Award from 1997 to 2000, was Chairman of the Board of Overseers for the Baldrige Award from 2004 to 2007 and is currently Chairman of the Board of Directors for the Foundation for the Baldrige Award

Former Dean of the Terry College of Business at the University of Georgia from 1998 to 2007

Former Dean of the Rutgers Business School at Rutgers University from 1993 to 1998

- Former Faculty member of the Carlson School of Management at the University of Minnesota from 1977 to 1993, where he served as Director of the Operations Management Center from 1992 to 1993 and head of the Decision Sciences Area from 1983 to 1988.

Director Qualifications and Skills: Mr. Benson has significant academic expertise in business, in particular with strategic planning and organizational management systems, that adds a valuable perspective to the Board, especially in the area of improving the delivery of products and services. His ties to the community provide the Board with regional representation and a critical link to the academic and research sectors.

Wolfgang Deml, age 71, has been a director of the Company since February 1999.

- Former President and Chief Executive Officer of BayWa Corporation, a trading and services company located in Munich, Germany, from 1991 until his retirement in 2008

Non-Executive Chairman of the Board of Directors and Audit Committee of Hauck & Aufhäuser Privatbankiers KGaA

Director Qualifications and Skills: Mr. Deml adds extensive experience to the Board given his service as the Chief Executive Officer of an international corporation within our industry. His tenure on our Board provides consistent leadership, and he serves as an ongoing source for industry-specific knowledge, especially in Europe, which is our largest market.

George E. Minnich, age 67, has been a director of the Company since January 2008.

Former Senior Vice President and Chief Financial Officer of ITT Corporation from 2005 to 2007

Several senior finance positions at United Technologies Corporation, including Vice President and Chief Financial Officer of Otis Elevator from 2001 to 2005 and Vice President and Chief Financial Officer of Carrier Corporation from 1996 to 2001

Various positions within Price Waterhouse (now PricewaterhouseCoopers LLP) from 1971 to 1993, serving as an audit partner from 1984 to 1993

Member of the Boards of Directors and Audit Committees of Belden Inc. and Kaman Corporation and the Chairman of the Audit Committee for Belden Inc.

Director Qualifications and Skills: Mr. Minnich, through his background as a former Audit Partner of Price Waterhouse and Chief Financial Officer of a publicly-traded company, provides the Board with substantial financial expertise. He also brings to the Board a familiarity with the challenges facing large, international manufacturing companies.

Martin H. Richenhagen, age 64, has been Chairman of the Board of Directors since August 2006 and has served as President and Chief Executive Officer of the Company since July 2004.

Member of the Board of Directors, Audit and Technology & Environment Committees for PPG Industries, Inc.

Member of the Board of Directors, Finance & Pension and Governance & Nominating Committees for Praxair, Inc.

Chairman of the German American Chambers of Commerce of the United States

Former Executive Vice President of Forbo International SA, a flooring material business based in Switzerland, from 2003 to 2004

Former Group President of Claas KGaA mbH, a global farm equipment manufacturer and distributor, from 1998 to 2002

Former Senior Executive Vice President for Schindler Deutschland Holdings GmbH, a worldwide manufacturer and distributor of elevators and escalators, from 1995 to 1998

Director Qualifications and Skills: In addition to his eleven years of experience as the Company's Chief Executive Officer, Mr. Richenhagen brings to the Board substantial experience in the agricultural equipment industry. His business and leadership acumen as both a former Executive Vice President and current Chief Executive Officer provides the Board with an informed resource for a wide range of disciplines, from sales and marketing to broad

business strategies.

4

Table of Contents

Gerald L. Shaheen, age 72, has been a director of the Company since October 2005.

Numerous marketing and general management positions for Caterpillar Inc., both in the United States and Europe, including Group President from 1998 until his retirement in January 2008

Former Chairman of the Board of Trustees of Bradley University and Board member and past Chairman of the U.S. Chamber of Commerce

Member of Board of Directors and Audit Committee of the Ford Motor Company

Chairman of the Nominating and Governance Committee of the Ford Motor Company

Chairman of the Advisory Board of the Illinois Neurological Institute

Former member of the Board of Directors of National City Corp. from 2001 to 2008

Director Qualifications and Skills: Mr. Shaheen's background in management of a global heavy equipment manufacturer brings to the Board particular knowledge of the Company's industry, as well as a necessary perspective of the challenges facing large, publicly-traded companies. His work with the U.S. Chamber of Commerce also provides the Board with a wealth of knowledge related to international commerce and trade issues.

Mallika Srinivasan, age 57, has been a director of the Company since July 2011.

Chairman and Chief Executive Officer of Tractors and Farm Equipment Limited, the second largest agricultural tractor manufacturer in India, since 2011

Various positions at Tractors and Farm Equipment Limited since 1981, including Director (1994 to 2011), Vice President (1991 to 1994) and General Manager – Planning & Coordination (1986 to 1991)

Member of the Boards of Directors of Tata Global Beverages Limited (India) and Tata Steel Limited (India)

Member of the Executive Board of Indian School of Business

Director Qualifications and Skills: Ms. Srinivasan's expertise in strategy, extensive leadership experience in the farm equipment industry and knowledge of operations in India and other developing markets provide an important perspective and contribution to the Board.

Hendrikus Visser, age 72, has been a director of the Company since April 2000.

Former Chairman of Royal Huisman Shipyards N.V.

Chairman of the Supervisory Board of Sterling Strategic Value, Ltd.

Former Chief Financial Officer of NUON N.V. and former member of the Boards of Directors or Executive Boards of major international corporations and institutions, including Rabobank Nederland, the Amsterdam Stock Exchange, Amsterdam Institute of Finance, De Lage Landen, Teleplan International N.V., Vion N.V. and Mediq N.V.

Director Qualifications and Skills: Mr. Visser's substantial experience with and knowledge of financial capital markets, particularly in our Europe/Africa/Middle East ("EAME") region, including his 15 years of service as Chairman of the Credit Committee of Rabobank Nederland, provides the Board with significant international financial expertise. His tenure with the Board also provides stability in leadership, and he serves as a continued source of regional diversity.

The Board recommends a vote "FOR" the nominees set forth above.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Director Independence

In accordance with the rules of the NYSE, the Board has adopted categorical standards to assist it in making determinations of its directors' independence. The Board has determined that in order to be considered independent, a director must not:

be an employee of the Company or have an "immediate family member," as that term is defined in the General Comment to Section 303A.02(b) of the NYSE rules, who is an executive officer of the Company at any time during the preceding three years;

receive or have an immediate family member who receives or solely own any business that receives during any twelve-month period within the preceding three years direct compensation from the Company or any subsidiary or other affiliate in excess of \$120,000, other than for director and committee fees and pension or other forms of deferred compensation for prior service to the Company or, solely in the case of an immediate family member, compensation for services to the Company as a non-executive employee;

Table of Contents

be a current partner or current employee of a firm that is the internal or external auditor of the Company or any subsidiary or other affiliate, or have an immediate family member that is a current partner or current employee of such a firm who personally works on an audit of the Company or any subsidiary or other affiliate;

have been or have an immediate family member who was at any time during the preceding three years a partner or employee of such an auditing firm who personally worked on an audit of the Company or any subsidiary or other affiliate within that time;

be employed or have an immediate family member that is employed either currently or at any time within the preceding three years as an executive officer of another company in which any present executive officers of the Company or any subsidiary or other affiliate serve or served at the same time on the other company's Compensation Committee; or

be a current employee or have an immediate family member that is a current executive officer of a company that has made payments to or received payments from the Company or any subsidiary or other affiliate for property or services in an amount which, in any of the preceding three years of such other company, exceeds (or in the current year of such other company is likely to exceed) the greater of \$1.0 million or two percent of the other company's consolidated gross revenues for that respective year.

In addition, in order to be independent for purposes of serving on the Audit Committee, a director may not:

accept any consulting, advisory or other compensatory fee from the Company or any subsidiary; or

be an "affiliated person," as that term is used in Section 10A(m)(3)(B)(ii) of the Securities Exchange Act of 1934 (the "Exchange Act"), of the Company or any of its subsidiaries.

Finally, in order to be independent for purposes of serving on the Compensation Committee, a director may not:

be a current or former employee or former officer of the Company or an affiliate or receive any compensation from the Company other than for services as a director;

receive remuneration from the Company or an affiliate, either directly or indirectly, in any capacity other than as a "director," as that term is defined in Section 162(m) of the IRC; or

have an interest in a transaction required under SEC rules to be described in the Company's proxy statement.

These standards are consistent with the standards set forth in the NYSE rules, the IRC and the Exchange Act. In applying these standards, the Company takes into account the interpretations of, and the other guidance available from, the NYSE. In affirmatively determining the independence of any director who will serve on the Compensation Committee, the Board of Directors considers all factors specifically relevant to determining whether such director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of the Compensation Committee member, including, the independence factors set forth in the NYSE rules.

Based upon the foregoing standards, the Board has determined that all of its directors are independent in accordance with these standards except for Mr. Richenhagen and Ms. Srinivasan, and that none of the independent directors has any material relationship with the Company, other than as a director or stockholder of the Company.

On August 29, 2014, the Company and Tractors and Farm Equipment Limited ("TAFE") entered into a Letter Agreement (the "Letter Agreement") regarding the current and future accumulation by TAFE of shares of the Company's common stock and certain governance matters, including the Company's nomination of a director candidate selected by TAFE. TAFE's proposed director candidate for 2017 is Ms. Srinivasan, TAFE's Chairman and Chief Executive Officer, and Ms. Srinivasan has been nominated for election by the Company's Board of Directors. See "Certain Relationships and Related Party Transactions" below for additional information.

Table of Contents

Committees of the Board of Directors

The Board has delegated certain functions to six standing committees: an Executive Committee, an Audit Committee, a Compensation Committee, a Finance Committee, a Governance Committee and a Succession Planning Committee. Each of the committees has a written charter. The Board has determined that each member of the Audit, Compensation and Governance Committees is an independent director under the applicable rules of the IRC, NYSE and SEC with respect to such committees. The following is a summary of the principal responsibilities and other information regarding each of the committees:

Committee	Principal Responsibilities
Executive Committee	<ul style="list-style-type: none"> • Is authorized, between meetings of the Board, to take such actions in the management of the business and affairs of the Company which, in the opinion of the Executive Committee, should not be postponed until the next scheduled meeting of the Board, except as limited by the General Corporation Law of the State of Delaware, the rules of the New York Stock Exchange, the Company's Certificate of Incorporation or By-Laws or other applicable laws or regulations. • Assists the Board in its oversight of the integrity of the Company's consolidated financial statements, the Company's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence and the performance of the Company's internal audit function and independent registered public accounting firm.
Audit Committee	<ul style="list-style-type: none"> • Reviews the Company's internal accounting and financial controls, considers other matters relating to the financial reporting process and safeguards of the Company's assets and produces an annual report of the Audit Committee for inclusion in the Company's proxy statement. • The Board has determined that Mr. Minnich is an "audit committee financial expert," as that term is defined under regulations of the SEC. • The report of the Audit Committee for 2016 is set forth under the caption "Audit Committee Report." • Management periodically meets with the Company's Audit Committee and reviews risks and relevant strategies. • Is charged with executing the Board's overall responsibility for matters related to Chief Executive Officer and other executive compensation, including assisting the Board in administering the Company's compensation programs and producing an annual report of the Compensation Committee on executive compensation for inclusion in the Company's proxy statement.
Compensation Committee	<ul style="list-style-type: none"> • Has retained Willis Towers Watson to advise on current trends and best practices in compensation. • The report of the Compensation Committee for 2016 is set forth under the caption "Compensation Committee Report." • Assists the Board in the oversight of the financial management of the Company including: <ul style="list-style-type: none"> the capital structure of the Company; the Company's global financing strategies, objectives and plans; the Company's credit profile and ratings; capital expenditure and investment programs of the Company; the Company's interests in finance joint ventures; and the Company's annual budget process and review.
Finance Committee	
Governance Committee	<ul style="list-style-type: none"> • Assists the Board in fulfilling its responsibilities to stockholders by:

identifying and screening individuals qualified to become directors of the Company, consistent with independence, diversity and other criteria approved by the Board, and recommending candidates to the Board for all directorships and for service on the committees of the Board;

developing and recommending to the Board a set of corporate governance principles and guidelines applicable to the Company; and

overseeing the evaluation of the Board.

Succession
Planning
Committee

- Assists the Board with respect to selecting, developing, evaluating and retaining the Chief Executive Officer, executive officers and key talent; and
- Manages the succession planning process in the event the current Chief Executive Officer cannot continue in the role.

Table of Contents

Committee Composition and Meetings

The following table shows the current membership of each committee and the number of meetings held by each committee during 2016. The Company will determine the composition and chair positions of the respective committees for 2017 following the Annual Meeting.

Director	Executive	Audit	Comp	Finance	Governance	Succession Planning
Roy V. Armes			X			X
Michael C. Arnold		X			X	
P. George Benson	X	X			Chair	
Wolfgang Deml	X				X	Chair
Luiz F. Furlan			X			X
George E. Minnich	X	Chair	X	X		
Martin H. Richenhagen	Chair					X
Gerald L. Shaheen	X		Chair	X		X
Mallika Srinivasan						X
Hendrikus Visser	X	X		Chair	X	
Total meetings in 2016	—	14	7	3	6	2

During 2016, the Board held eight meetings and each director attended at least 75% of the aggregate number of meetings of the Board and respective committees on which he or she served while a member thereof.

Identification and Evaluation of Director Nominees

With respect to the Governance Committee's evaluation of nominee candidates, including those recommended by stockholders, the committee has no formal requirements or minimum standards for the individuals that are nominated. Rather, the committee considers each candidate on his or her own merits. However, in evaluating candidates, there are a number of factors that the committee generally views as relevant and is likely to consider to ensure the entire Board, collectively, embraces a wide variety of characteristics, including:

- career experience, particularly experience that is germane to the Company's business, such as with agricultural products and services, legal, human resources, finance and marketing experience;
- experience in serving on other boards of directors or in the senior management of companies that have faced issues generally of the level of sophistication that the Company faces;
- contribution to diversity of the Board;
- integrity and reputation;
- whether the candidate has the characteristics of an independent director;
- academic credentials;
- other obligations and time commitments and the ability to attend meetings in person; and

• current membership on the Company's Board — our Board values continuity (but not entrenchment).

The Governance Committee does not assign a particular weight to these individual factors. Similarly, the committee does not expect to see all (or even more than a few) of these factors in any individual candidate. Rather, the committee looks for a mix of factors that, when considered along with the experience and credentials of the other candidates and existing directors, will provide stockholders with a diverse and experienced Board. The committee strives to recommend candidates who each bring a unique perspective to the Board in order to contribute to the collective diversity of the Board. Although the Company has not adopted a specific diversity policy, the Board believes that a diversity of experience, gender, race, ethnicity and age contributes to effective governance over the affairs of the Company for the benefit of its stockholders. With respect to the identification of nominee candidates, the committee has not developed a single, formalized process. Instead, its members and the Company's senior management generally recommend candidates whom they are aware of personally or by reputation or may utilize outside consultants to assist in the process.

Table of Contents

The Governance Committee welcomes recommendations for nominations from the Company's stockholders and evaluates stockholder nominees in the same manner that it evaluates a candidate recommended by other means. In order to make a recommendation, the committee requires that a stockholder send the committee:

- a resume for the candidate detailing the candidate's work experience and academic credentials;
- written confirmation from the candidate that he or she (1) would like to be considered as a candidate and would serve if nominated and elected, (2) consents to the disclosure of his or her name, (3) has read the Company's Global Code of Conduct (the "Code") and that during the prior three years has not engaged in any conduct that, had he or she been a director, would have violated the Code or required a waiver, (4) is, or is not, "independent" as that term is defined in the committee's charter, and (5) has no plans to change or influence the control of the Company;
- the name of the recommending stockholder as it appears in the Company's books, the number of shares of common stock that are owned by the stockholder and written confirmation that the stockholder consents to the disclosure of his or her name. (If the recommending person is not a stockholder of record, he or she should provide proof of share ownership);
- personal and professional references for the candidate, including contact information; and
- any other information relating to the candidate required to be disclosed in solicitations of proxies for election of directors or as otherwise required, in each case, pursuant to Regulation 14A of the Exchange Act.

The foregoing information should be sent to the Governance Committee, c/o Corporate Secretary, AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096, who will forward it to the chairperson of the committee. The advance notice provisions of the Company's By-Laws provide that for a proposal to be properly brought before a meeting by a stockholder, such stockholder must disclose certain information and give the Company timely notice of such proposal in written form meeting the requirements of the Company's By-Laws no later than 60 days and no earlier than 90 days prior to the anniversary date of the immediately preceding Annual Meeting of stockholders. The committee does not necessarily respond directly to a submitting stockholder regarding recommendations.

Board Leadership Structure

Mr. Richenhagen, who is also the Chief Executive Officer of the Company, serves as Chairman of the Board, and Mr. Shaheen currently serves as Lead Director of the Board. The Company holds executive sessions of its non-management directors at each regular meeting of its Board. The Lead Director presides over executive sessions and at all meetings of the Board in the absence of the Chairman, provides input to the Chairman on setting Board agendas, generally approves information sent to the Board (including meeting schedules to assure sufficient discussion time for all agenda items), ensures that he is available for consultation and direct communication at the request of major stockholders, leads the performance evaluation process of the Chief Executive Officer and has the authority to call meetings of the independent directors.

The Board reviews the Company's board leadership structure annually. As part of this process, the Board considered the structures used by peer companies, alternative structures and the effectiveness of the Company's current structure. The Board believes that having the Chief Executive Officer serve as Chairman is important because it best reflects the Board's intent that the Chief Executive Officer function as the Company's overall leader, while the Lead Director provides independent leadership to the directors and serves as an intermediary between the independent directors and the Chairman. The resulting structure sends a message to our employees, customers and stockholders that we believe in having strong, unifying leadership at the highest levels of management. At the same time, having a Lead Director with a well-defined role provides an appropriate level of independent oversight and an effective channel for communications when needed.

Risk Oversight

The Company's management maintains a risk assessment process that identifies the risks that face the Company that management considers the most significant. The risk assessment process also considers appropriate strategies to mitigate those risks. Management periodically meets with the Company's Audit Committee and reviews such risks and relevant strategies.

Corporate Governance Principles, Committee Charters and Global Code of Conduct

We provide various corporate governance and other information on the Company's website. This information, which is also available in printed form to any stockholder of the Company upon request to the Corporate Secretary, includes the following:

our corporate governance principles and charters for the Audit, Compensation, Executive, Finance, Governance and Succession Planning Committees of the Board, which are available under the headings "Governance Principles" and "Charters of the Committees of the Board," respectively, in the "Corporate Governance" section of our website located under "Investors;" and

Table of Contents

the Company's Global Code of Conduct, which is available under the heading "Global Code of Conduct" in the "Corporate Governance" section of our website located under "Investors."

In addition, in the event of any waivers of the Global Code of Conduct with respect to certain executive officers, those waivers will be available under the heading "Corporate Governance" section of our website.

Compensation Committee Interlocks and Insider Participation

During 2016, Messrs. Armes, Furlan, Minnich and Shaheen (Chairman) served as members of the Compensation Committee. No member of the Compensation Committee was an officer or employee of the Company or any of its subsidiaries during 2016. None of the Company's executive officers serve on the board of directors of any company of which any director of the Company serves as executive officer.

Director Compensation

The following table provides information concerning the compensation of the members of the Board for the most recently completed year. As reflected in the table, each non-employee director received an annual base retainer of \$100,000 plus \$120,000 in restricted shares of the Company's common stock for Board service. Committee chairmen received an additional annual retainer of \$15,000 (or \$25,000 for the chairman of the Audit Committee and \$20,000 for the chairman of the Compensation Committee). Mr. Shaheen, who was the Lead Director in 2016, also received an additional annual \$30,000 Lead Director's fee. Effective January 1, 2016, each non-employee director received an additional annual retainer of \$6,000 if they served on three or more board committees. The Company does not have any consulting arrangements with any of its directors.

2016 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (\$)	Stock Awards ⁽¹⁾ (\$)	All Other Compensation ⁽²⁾ (\$)	Total (\$)
Roy V. Armes	100,000	120,000	9,946	229,946
Michael C. Arnold	100,000	120,000	4,896	224,896
P. George Benson	115,000	120,000	5,933	240,933
Wolfgang Deml	115,000	120,000	10,662	245,662
Luiz F. Furlan				